

# Bloomberg Businessweek

## Mississippi Fights Over Health Law as States Resist Key Element

By Margaret Newkirk - October 09, 2012

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In Mississippi, where one in five people lack health insurance, two Republican elected officials are fighting over the best way to resist President Barack Obama's health-care overhaul.

Insurance Commissioner Mike Chaney, 68, is proceeding with a key requirement -- creating health-care exchanges to help people without employer-provided coverage get policies -- saying he wants the least burdensome requirements. Governor Phil Bryant, 57, asked him to stop late last month, saying the state shouldn't advance any part of the Obama-backed law.

In Mississippi and other states where leaders oppose the 2010 law, which the Obama administration says will expand coverage to 32 million people, officials are debating whether to go along with its provisions. States that resist may test the federal government's plans to step in and provide the insurance marketplaces.

"It's gotten very, very political," said Joy Johnson Wilson, health policy director at the National Conference of State Legislatures. States are waiting for the Nov. 6 presidential election, which is also delaying federal rule-making on the exchanges, she said in an interview. "On Nov. 7, maybe things can start happening again."

### **Dragging Feet**

With six weeks left to submit plans to the federal government, only 13 states, 11 led by Democratic governors, including California, Colorado and New York, have established exchanges, according to a tally by the Henry J. Kaiser Family Foundation, a Menlo Park,

California-based nonprofit research group. Sixteen other states, 14 of them led by Republicans, including Texas, Florida and Louisiana, have said they won't create exchanges or haven't started, according to Kaiser.

The 2010 law marked the biggest change to the U.S. health system since Medicare, for the elderly and Medicaid, a joint federal-state program for the poor, were established in 1965.

The new law allows states to expand Medicaid coverage for the poor. They also must establish insurance exchanges by January 2014, when the law mandates that everyone have coverage or pay a penalty.

The exchanges will be online markets where individuals can buy policies. Those earning between 133 percent and 400 percent of the poverty level will be eligible for tax subsidies to defray premium costs. The Obama administration says it will operate exchanges in states that don't submit plans by Nov. 16, with cooperation or without.

### **Feeling Low**

Mississippi's health is ripe for improvement.

It leads States of Misery, a ranking based on health, poverty and crime statistics compiled by Bloomberg.

It has the highest level of obesity -- 34.9 percent, according to the federal Centers for Disease Control and Prevention in Atlanta. It trailed only the District of Columbia in infant mortality.

Nineteen percent of Mississippians, 545,000 people, had no health insurance in 2010, the most recent data available, according to the Kaiser Foundation.

In June, after the U.S. Supreme Court upheld most of Obama's overhaul, Bryant said in a news release that the law is a "stunning expansion of federal power and an assault on the liberty of American citizens."

Mississippi is already dependent on Washington, receiving \$1.77 from the U.S. government for every dollar it paid in federal taxes in 2006, the latest comparison, according to the nonpartisan Tax Policy Foundation in Washington.

In the 2012 fiscal year, the U.S. portion of Mississippi's Medicaid costs were set at 74 percent, according to the U.S. Health and Human Services Department. That was the nation's highest.

### **No Bargain**

Bryant has said he won't expand Medicaid. One in three residents would wind up in the program and the initial cost of \$68 million would increase, he said in a newspaper opinion piece.

"Governor Bryant will resist any actions that could further the implementation of Obamacare," Mick Bullock, a spokesman, said in an e-mail.

Implementation, however, is under way, thanks to Chaney, the insurance commissioner.

Chaney took up the job of creating a Mississippi exchange under Bryant's predecessor, Haley Barbour, a Republican whose term ended in January. Barbour tried and failed to get authorization for an exchange from the Democrat-controlled legislature, because of a disagreements over how it would operate.

### **Another Path**

With Barbour's support, Chaney found a way around the impasse. In October 2011, Chaney said he could create the exchange using his own authority, then hand it to a state-created nonprofit that provides subsidized insurance to people who couldn't otherwise get it.

The department convened more than 100 Mississippians to offer advice and created a website called "One, Mississippi" for residents to shop. A "massive" amount of work remains, including enabling the site to evaluate income to determine whether residents are eligible for Medicaid or subsidies, said Aaron Sisk, a lawyer with the Mississippi Insurance Department.

After the Supreme Court ruling, members of the anti-tax Tea Party packed a July meeting of the exchange advisory board and demanded that Chaney stop working toward an exchange.

A few days later, Chaney showed up at a luncheon hosted by the Mississippi Center for Public Policy, a free-market advocacy group. The speaker, Michael Cannon of the free-enterprise Cato Institute, faulted Chaney for cooperating with the exchange effort.

In a confrontation afterward captured on video, Cannon told Chaney that insurance companies and software developers would be his only beneficiaries.

### **Forging Ahead**

Last month, Bryant asked Chaney not to file paperwork due Oct. 1 with the federal government designating minimum coverage levels, said Bullock, the governor's spokesman.

Chaney filed it anyway.

Mississippi will be better off with its own exchange, and a federal version would probably be more expensive and onerous, requiring more coverage than the state would otherwise mandate, Chaney said in an interview.

He said he can proceed without the governor's support.

Erin Shields Britt, a spokeswoman for the U.S. Health and Human Services Department, declined to comment on who has authority to act on the state's behalf.

Chaney said he doesn't like the health-care law, and will vote for Republican presidential candidate Mitt Romney, who has said he wants to repeal it.

But if Obama is re-elected, "I will file a blueprint for the exchange on November 16, unless I get a court order from some idiot out there trying to stop me," Chaney said.

Chaney said he has no patience with those who think non-compliance will make the law disappear.

“Southern states should know that better than anybody,” he said, referring to the region’s defiance of civil rights laws in the 1960s. “The law is the law whether you like it or not. It doesn’t matter if you like it. It’s the damn law.”